

For taxable year beginning ____ / ____ / ____ , and ending ____ / ____ / ____ .

Attach to your return

Name as shown on Form 120, 120A, 120S or 120X	Federal employer ID number
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Part I Standard Credit Computation for Current Taxable Year Corporate Research and Development Expenses

1 Basic research payments paid or incurred to qualified organizations	1			
2 Base period amount	2			
3 Subtract line 2 from line 1. If less than zero, enter zero (0)			3	
Qualified research expenses paid or incurred (lines 4 - 7)				
4 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit).	4			
5 Cost of supplies	5			
6 Rental or lease cost of computers	6			
7 Contract research expenses. See instructions	7			
8 Total qualified research expenses. Add lines 4 through 7. Enter the total			8	
9 Enter average annual gross receipts. See instructions	9			
10 Enter fixed-base percentage, but not more than 16%.	10	•		
11 Base amount. Multiply line 9 by the percentage on line 10. Enter the result			11	
12 Subtract line 11 from line 8. If less than zero, enter zero (0)			12	
13 Multiply line 8 by 50% (.50). Enter the result			13	
14 Enter the lesser of line 12 or line 13			14	
15 Add lines 3 and 14. Enter the total			15	
16 Tentative credit for current taxable year research and development expenses. Multiply line 15 by 20% (.20). Enter the result			16	
17 Maximum credit allowed. See instructions			17	
18 Credit for current taxable year research and development expenses. Enter the lesser of line 16 or line 17			18	

Part II Alternative Credit Computation for Current Taxable Year Corporate Research and Development Expenses

19 Basic research payments paid or incurred to qualified organizations	19			
20 Base period amount	20			
21 Subtract line 20 from line 19. If less than zero, enter zero (0)			21	
Qualified research expenses paid or incurred (lines 23 - 26)				
23 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit).	23			
24 Cost of supplies	24			
25 Rental or lease cost of computers	25			
26 Contract research expenses. See instructions	26			
27 Total qualified research expenses. Add lines 23 through 26. Enter the total			27	
28 Enter average annual gross receipts. See instructions			28	
29 Enter the applicable percentage. See instructions	29	•		
30 Multiply line 28 by line 29. Enter the result			30	
31 Multiply line 28 by 1% (.01). Enter the result			31	
32 Subtract line 31 from line 30. Enter the difference			32	
33 Tier 1 credit. Multiply line 32 by 1.65% (.0165). Enter the result			33	
34 Enter the applicable percentage. See instructions	34	•		
35 Multiply line 28 by line 34. Enter the result			35	
36 Multiply line 28 by 1.5% (.015). Enter the result			36	
37 Subtract line 36 from line 35. Enter the difference			37	
38 Tier 2 credit. Multiply line 37 by 2.2% (.022). Enter the result			38	
39 Multiply line 28 by 2% (.02). Enter the result			39	
40 Subtract line 39 from line 27. Enter the difference			40	
41 Tier 3 credit. Multiply line 40 by 2.75% (.0275). Enter the result			41	
42 Tentative credit for qualified research expenses. Add lines 33, 38, and 41. Enter the total			42	
43 Tentative credit for current taxable year research and development expenses. Add lines 22 and 42. Enter the total			43	
44 Maximum credit allowed. See instructions			44	
45 Credit for current taxable year research and development expenses. Enter the lesser of line 43 or line 44			45	

Part III Computation of Excess Qualified Research Expenses for Current Taxable Year for Standard Credit Computation

46	Qualified research expenses in excess of base amount. <i>See instructions</i>	46	
47	Total qualified research expenses used to compute the maximum allowable credit. <i>See instructions</i>	47	
48	Excess qualified research expenses available for carryforward. <i>See instructions</i>	48	

Part IV Computation of Excess Qualified Research Expenses for Current Taxable Year for Alternative Credit Computation

49	Qualified research expenses in excess of the base amount. <i>See instructions</i>	49	
50	Total qualified research expenses used to compute the maximum allowable credit. <i>See instructions</i>	50	
51	Excess qualified research expenses available for carryforward. <i>See instructions</i>	51	

Part V Available Carryover of Excess Qualified Research Expenses

	(a)	(b)	(c)	(d)
52	Carryover from taxable year ending	Original amount of excess qualified research expenses	Amount previously used	Available carryover Subtract column (c) from column (b)
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67	Total			

Part VI Total Available Credit

68	Credit for current taxable year research and development expenses. <i>Enter the amount from Part I, line 18, or from Part II, line 45</i>	68	
69	Excess qualified research expenses carryover. <i>See instructions</i>	69	
70	Credit for carryover of excess qualified research expenses. <i>See instructions</i>	70	
71	Total available credit. <i>Add lines 68 and 70. Enter the result here and on Arizona Form 300, Part I, line 6</i>	71	